

Bilateral free labour movement

This submission is in response to the Commission's November 2015 draft report on migrant intake into Australia.

Section 13.2 of the draft report dismisses the idea of free labour movement, stating that "since the advent of comprehensive health and welfare systems, no developed country has adopted an open borders policy".

This statement ignores the existence of open border policies based on bilateral/multilateral agreement, such as the Trans Tasman Travel Arrangement (TTTA) between Australia and New Zealand. The Commission has dismissed the idea of bilateral free movement arrangements by confusing the concept with the idea of a completely open border. This is analogous to dismissing bilateral free trade agreements by confusing them with the idea of having absolutely no control over imports.

My June 2015 submission proposed that the government consider establishing bilateral free movement arrangements, using the TTTA as a model, with a range of countries. I have further developed this idea in a paper published by the Committee for the Economic Development of Australia (CEDA) in November 2015. The paper is available at http://adminpanel.ceda.com.au/FOLDERS/Service/Files/Documents/28469-GlobalNetworks_researchreport.pdf, and I am including it as part of this submission.

The CEDA paper specifically addresses the issue of free movement of labour between countries with comprehensive welfare systems. Milton Friedman considered the welfare state to be an insurmountable barrier to free movement. Other economists have noted that the problem is solvable, and the TTTA is a good example of how it can be solved. The CEDA paper examines bilateral free movement in general, with an example of how it might be implemented between Australia and Singapore.

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17 December 2015

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5. Australia and the fourth freedom

Alex Dobes

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Should free movement arrangements, such as the one between Australia and New Zealand (the Trans-Tasman Travel Arrangement), be extended to citizens of other countries? Who first? And where do we start in determining the scope of any such agreements?

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Introduction

Australia and New Zealand have a long-standing arrangement, the Trans-Tasman Travel Arrangement (TTTA), for free movement of labour between the two countries. Former Prime Minister Tony Abbott suggested that Australia develop a similar arrangement with Singapore.

Free movement arrangements can have significant benefits and pitfalls. Among the latter is the danger (perceived or real) of welfare tourism. Australia has dealt successfully with this apparent problem in the past; the European Union (EU) arguably less so. However, Australia's remedy may have over-reached somewhat by removing the pathway to permanent residency for New Zealanders arriving in Australia after February 2001.

There is a group of around 20 compatible (small and wealthy) countries with which Australia could feasibly establish free movement arrangements. Singapore is one such country, and a brief examination of differences between Singapore and Australia gives some idea of the details that need to be addressed before a working arrangement can be implemented. Healthcare, military service, access to public housing, and different legal sanctions are all important details that could affect the lives of people moving between the two countries.

Free movement is probably best implemented as a loose arrangement between two countries, leaving each government the flexibility to adapt to changes in circumstances and perceptions. This has been the approach taken by Australia and New Zealand, in contrast to the free movement agreements of the EU, which bind governments to detailed obligations.

Milton Friedman's paradox

In a 1977 lecture in Chicago entitled 'What is America?' Milton Friedman posed the following question:

I have always been amused by a kind of paradox. Suppose you go around and ask people, "The United States, as you know, before 1914 had completely free immigration; anybody could get on a boat and come to these shores² – was that a good or a bad thing?" You will find hardly a soul who will say it was a bad thing. But then suppose I say to the same people, "But now what about today? Do you think we should have free immigration?" "Oh no," they'll say, "We couldn't possibly have free immigration today."

What's the difference?³

Professor Friedman answered his own question by saying that "it is one thing to have free immigration to jobs, it is another thing to have free immigration to welfare". Taking this thought a step further, he concluded that, in a welfare state, illegal immigration brings greater benefits than legal migration, since illegal immigrants do not have access to the welfare system. In the Friedman analysis, illegal immigrants cross borders only in order to find work.

This conclusion is consistent with a strong aversion to the welfare state, but has limited value when considering practical approaches to immigration policy. For example, American economist Bryan Caplan has pointed out a "keyhole"⁴ solution to the problem of immigration to welfare states: restrict access to welfare for legal immigrants. Further, Professor Caplan notes that Milton Friedman was once presented with this exact solution to his paradox, and his response was that he hadn't really thought about it, and didn't think it would work because it would not be politically feasible.⁵

In reality, Australia has implemented this keyhole solution for New Zealand citizens. Under the TTTA, New Zealanders have free access to Australia, subject to health and character conditions that exclude very few people. However, New Zealanders who arrived after 26 February 2001 are still eligible for Medicare but have very limited access to Australian welfare benefits. For example, they must wait 10 years before they are eligible for Newstart Allowance (unemployment benefits) or Sickness Allowance, and can only receive such benefits for six months.⁶

This leads to two interesting questions:

- Does free movement for New Zealanders benefit Australia?
- If the New Zealand arrangement works to Australia's benefit, might it also work with other countries?

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The fourth freedom

Free movement of goods, services and capital is widely accepted as welfare-enhancing (using “welfare” in the classical meaning of prosperity and standard of living), and these three freedoms have been agreed (to differing degrees) between a wide range of countries through free-trade agreements. The World Trade Organisation (WTO) has registered 276 such agreements.⁷

The fourth freedom is free movement of labour. The International Organisation for Migration (IOM) has grouped this into three types:⁸

- Full mobility of labour.
- Mobility and market access for specified service providers. This is a feature of groupings such as the North American Free-Trade Agreement (NAFTA) between Canada, Mexico and the US.
- Facilitating the entry and temporary stay of people engaged in specific activities (such as trade and investment) without granting market access. This is a feature, for example, of the Asia Pacific Economic Cooperation (APEC). Business travellers are able to obtain an APEC Business Traveller Card, which functions as a pre-approved three year multiple entry visa to APEC member countries.⁹

Implementation of the second and third types of arrangements is relatively straightforward, and is usually little more than a simplification of bureaucratic procedures.

However, the first type of arrangement can have far reaching consequences, and is rarely implemented. One barrier to implementation is that human beings are much more complex than goods or services, a point frequently raised in discussion of the fourth freedom:

Men and women come with cultures and skills and grow up in dense familial and social networks. They have spouses and children. They need education, health care, political engagement, and all the other fruits of society. They bear responsibilities to society as well, including taxes and perhaps military service.¹⁰

The best-known example of full labour mobility across borders is the European Union (EU), which has all four freedoms as its core membership principles.¹¹ Additionally, the European Free Trade Association¹² (EFTA) has a European Economic Area (EEA) agreement with the EU that incorporates free movement of nationals as a basic principle.¹³ The Nordic Council has allowed free movement of nationals between the five member countries¹⁴ since 1954 (1955 in the case of Iceland), an arrangement somewhat superseded by the EEA and the Schengen Agreement.¹⁵

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Benefits and pitfalls of the fourth freedom

The primary benefits of migration are intuitively easy to understand: migration allows labour resources to flow to their most productive use, and fills gaps in labour markets. However, the overall picture of benefits and costs is much more complex, and has been the subject of extensive study.

An OECD synthesis of migration studies shows that migration generally brings net economic benefits to the receiving country.¹⁶ Reasons include that migrants boost the working proportion of the population, increase labour market flexibility, and frequently bring new skills.

Studies published by the European Commission (EC) in 2013 show that free labour movement within the EU brings net benefits to destination countries, as mobile EU citizens are more likely to be in active employment than nationals of the host country. The EC acknowledged that some mobile EU citizens (perhaps one per cent) were not working in their host countries, but emphasised that “workers from other Member States are net contributors to the public finances of the host country”.¹⁷

The EC’s figures are no doubt accurate. However, they were released in an atmosphere of increased hostility toward the idea of EU-wide free movement, arising from rapid (possibly too rapid) expansion of EU membership. Statistics alone were not sufficient in addressing the concerns of EU citizens.

Starting with the Treaty of Rome in 1957, the European Economic Community (EEC) was a smaller and looser grouping of countries where people generally moved for work but not for welfare. Workers in the poorer south had an incentive to move to the wealthier north, where they found plentiful work. Eventually the southern states acquired a standard of living that weakened the incentives for northward migration.

This balance within the EU changed in 2004 with the accession of eight formerly Communist countries (including Poland), and further in 2007 with the accession of Bulgaria and Romania. The EU now included countries with starkly lower wages and weaker welfare systems. In 2004 there was disquiet about a possible flood of workers moving westward (nicknamed “the Polish plumber”), but it turned out that these workers filled gaps in the western labour market. A more serious backlash began in response to the 2007 expansion.¹⁸ Here the concern was more noticeably about “benefits tourism”, as the EU was now a more closely integrated group, with each country required to give equal access to welfare benefits to all EU citizens.¹⁹

Proponents of the EU fourth freedom used statistics (as with the EC studies above) or plain disparagement when faced with concerns about welfare tourism. In a February 2014 interview with the *Guardian*, European Commissioner László Andor stated that, “Benefits tourism as such is a myth”.²⁰ British tabloids treated this as a personal challenge to prove him wrong.

Within days, *The Daily Mail* found and interviewed a benefits tourist from central casting. Rudi Ion, who drove a Mercedes, had gone from collecting the equivalent of £17 a month in Romanian child benefits, to £300 a week in a bundle of British benefits. About 100 of his relatives had joined him in Britain, and he had seen scores of Romanians arriving every week. “Of course Romanians will settle in Britain if they get this kind of money”, he said. “It is like walking down the road and seeing a sack full of cash that someone has dropped, picking it up and no one saying anything.”²¹

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In response to the Rudi Ion story, the Romanian ambassador in London, Ion Jinga, published an opinion piece in the *Guardian* stating that the problem had been exaggerated, as only 1740 Romanians in the UK (representing 1.45 per cent of the Romanian community) were claiming benefits. All the Romanians who wanted to be in the UK had already arrived, so the problem wouldn't get any bigger. Wages in Romania had risen, and other reasons why Romanians would be content with life at home included that “houses are more affordable, the food is organic and the sun shines for longer than in other parts of Europe”.²²

Dr Jinga's statistics were no doubt accurate²³, and for every Rudi Ion there were probably 50 Romanians in the UK working and paying taxes. However, the statistical approach did not win the battle. In May 2015, the UK government announced that it would seek to renegotiate its relationship with the EU (especially the welfare provisions), after which it would hold a referendum on continued EU membership.²⁴

The UK was not the only country going through this process. A backlash in Switzerland resulted in a 2014 referendum whose outcome forced the Swiss government to draft quotas for EU nationals moving to Switzerland.²⁵

The Trans-Tasman Travel Arrangement

Under the TTTA, around 650,000 New Zealanders (more than 10 per cent of New Zealand's citizens) live in Australia. This clearly has an impact in both Australia and New Zealand, which has been the subject of some study.

The Australian Productivity Commission (PC) and the New Zealand Productivity Commission (NZPC) have published a report entitled *Strengthening trans-Tasman economic relations*, which includes extensive examination of the impact of the TTTA. Modelling by the PC suggested that increased movement of New Zealand workers to Australia increases Australia's GNP, but decreases the GNP per worker. However, the latter conclusion relies on an assumption that capital stock is fixed, rather than increasing in response to an increase in population and labour supply.²⁶

In addition to modelling, the report also summarised empirical studies of the impact of the TTTA, which found that New Zealanders in Australia:

- Have relatively high labour force participation rates;
- Have relatively high employment rates;
- Help to alleviate labour market shortages;
- Appear to be a complement rather than a substitute for local labour.²⁷

Recent developments confirm the responsiveness of the TTTA to changing labour market conditions. Net immigration from New Zealand has recently shown a large decline in response to an increase in spare capacity in the Australian labour market.²⁸

Overall, then, it appears that the TTTA is a successful policy that benefits Australia.

Commentators have noted one important point where the TTTA differs from EU free movement arrangements: it is not an agreement between governments, but a set of procedures independently implemented by two governments working together towards a broadly agreed common aim.²⁹ This absence of a prescriptive and detailed agreement leaves each government the flexibility to respond quickly to any change in circumstances or perceptions.

As previously mentioned, New Zealanders who arrived after 26 February 2001 have only restricted access to Australian welfare benefits. These restrictions were introduced in response to a public perception in Australia of welfare tourism by New Zealanders, so-called “Bondi bludgers”. At the time, there were around 20,000 New Zealanders receiving Australian unemployment benefits. There were also concerns at ‘back door’ migration by Pacific Islanders who had acquired New Zealand citizenship.³⁰

When the Australian government moved to restrict access to welfare, then New Zealand Prime Minister Helen Clark commented that New Zealanders in Australia had roughly the same unemployment rate as Australians, so the problem was more imagined than real. At the same time, she expressed hope that the changes would neutralise the unjustified Australian perception of welfare tourism.³¹

The statistics cited by Prime Minister Clark were no doubt accurate, and the problem was no doubt minimal. However, the Australian government chose to act in a way that seriously addressed the public perception of a problem (whether real or not). The end result was that the expression “Bondi bludger” was consigned to history, and the fourth freedom was maintained.

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Extending Australia's fourth freedom

During his June 2015 visit to Singapore, former Australian Prime Minister Tony Abbott said that “Soon, I hope that employment and residency rights for Australians and Singaporeans in each other’s countries will resemble those of New Zealanders and Australians”.³² In considering this, it is worth examining how an extension of the fourth freedom might work in general, before focussing briefly on Singapore.

As seen with the example of Bulgaria and Romania, inclusion of less wealthy countries in free movement arrangements can have unintended consequences – over-extension risks a backlash.

Another risk is that unregulated flows can be larger than anticipated. When the UK opened its labour market to newly-acceded EU members in 2004, the government estimated that around 13,000 Poles would move to the UK; by 2011 the actual number was 579,000.³³

The policy implication is that, to avoid unintended consequences, free movement of labour is best established with small and wealthy countries, at least initially.

Table 1 shows key characteristics of a range of relatively wealthy countries. All of these countries are apparently considered low-risk by Australian immigration authorities, judging from their eligibility for eVisitor visas (European countries) or Electronic Travel Authorities (non-European countries).³⁴ A more differentiated indicator of risk is the non-return (overstay) ratio for each country’s nationals in Australia. This ranges from a low of 0.17 per cent for Luxembourg to a high of 3.87 per cent for Estonia.

Apart from Cyprus and Hong Kong, all of the countries/territories in Table 1 are eligible for the US Visa Waiver Program (VWP). This is another useful indicator of risk, as the US currently extends this privilege to 38 countries/territories, based on extensive analysis of risk factors. The equivalent list for visa-free entry to the Schengen area is less useful as a risk indicator, since it errs on the side of inclusiveness, and includes low-income countries usually considered to be high-risk, such as Albania and Paraguay.³⁷

Many of the countries in Table 1 have working holiday arrangements allowing their nationals to work in Australia for up to 12 months, and longer in regional locations such as Adelaide and Hobart. There is no cap on the number of people taking up working holiday visas, and their activities in Australia are only lightly regulated.³⁸ As such, flows under working holiday arrangements are a useful indicator of potential flows under free movement arrangements.³⁹

Another indicator of potential flows is the total number of Australian residents originating from each country.⁴⁰

As an example, we can contrast Canada and the UK. The UK has not quite double the population of Canada, but it has six times the number of working holidaymakers in Australia, and more than 20 times the total number of residents in Australia. This suggests that a free-movement arrangement with Canada is likely to result in smaller flows than a similar arrangement with the UK.

TABLE 1
WEALTH, POPULATION AND VISA PROFILE OF SELECTED COUNTRIES/TERRITORIES³⁵

	Population (million)	GDP per capita (nominal \$US)	GDP per capita (PPP)	Working holiday agreement with Australia	Working holiday visa holders in Australia	Australian residents' place of birth	General non-return rate (%)	Reciprocal healthcare agreement with Australia	US Visa Waiver Program
Australia	23.6	61,219	46,433	–	–	16,890,250	–	–	Y
New Zealand	4.5	43,837	35,152	–	–	616,960	0.44	Y	Y
Brunei	0.4	36,607	73,233	N	NA	3180	0.62	N	Y
Canada	35.5	50,398	44,843	Y	4620	50,940	0.66	N	–
Cyprus	0.9	26,115	30,769	Y	63	20,780	2.28	N	N
Denmark	5.6	60,564	44,343	Y	910	11,180	0.26	N	Y
Estonia	1.3	19,671	26,999	Y	1486	3910	3.87	N	Y
Finland	5.5	49,497	40,347	Y	1073	9820	0.36	Y	Y
Germany	81.1	47,590	45,888	Y	18,286	129,040	0.36	N	Y
Hong Kong	7.3	39,871	54,722	Y	10,905	94,420	0.65	N	N
Iceland	0.3	51,262	43,637	N	NA	730	1.61	N	Y
Ireland	4.6	53,462	49,195	Y	6121	93,180	1.27	Y	Y
Latvia	2.0	15,729	23,707	N	NA	5150	3.61	N	Y
Lithuania	2.9	16,386	27,051	N	NA	3250	2.99	N	Y
Luxembourg	0.6	111,716	92,049	N	NA	280	0.17	N	Y
Malta	0.4	24,876	33,216	Y	75	45,920	1.61	Y	Y
Norway	5.2	97,013	66,937	Y	271	4770	0.36	Y	Y
Singapore	5.5	56,319	82,762	N	NA	70,100	0.26	N	Y
Slovakia	5.4	18,454	28,175	N	NA	6430	0.87	N	Y
Slovenia	2.1	24,019	29,658	N	NA	8060	0.82	Y	Y
Sweden	9.7	58,491	45,987	Y	3385	12,510	0.60	Y	Y
Switzerland	8.1	87,475	58,087	N	NA	15,720	0.24	N	Y
Taiwan	23.4	22,598	45,854	Y	23,270	55,960	0.73	N	Y
UK	64.5	45,653	39,511	Y	30,315	1,221,260	0.58	Y	Y
USA	319.0	54,597	54,597	N	NA	104,080	0.51	N	–

Another example of interest is Malta. As with New Zealand, around 10 per cent of Malta's citizens (46,000 people) live in Australia. At the same time, only 75 Maltese citizens (at last count) have taken up the opportunity of a working holiday visa. This suggests that the large flow of past decades is less likely to be replicated today.

The approximately 10 per cent of New Zealand's citizens residing in Australia gives some indication of the potential size of unregulated flows over an extended period. Ten per cent of the UK population would be more than six million people. Just one per cent of the US population would be more than three million people. This potential risk factor has been recognised by UK proponents of free movement between the UK, Australia and New Zealand. The Commonwealth Exchange has noted that "one of the biggest concerns for Australia and New Zealand would be the populations involved".⁴¹ Mayor of London Boris Johnson has commented, "Whether they would be actually delirious with joy in Australia about the idea of loads more Poms coming out to Australia, I don't know ..."⁴²

In addition to New Zealand, seven of the countries in Table 1 have reciprocal healthcare arrangements with Australia, providing access to necessary medical care (but not optional or private care).⁴³ Basic healthcare is an exception to the general principle of restricting access to welfare. Visitors do not plan to fall ill or have accidents, but it is inevitable that some of them do. In that situation, it is best to know who will cover the expense. One alternative is to make private health cover mandatory, as is the case with most student visas in Australia. However, that creates an enforcement task, and does not guarantee that all visitors will be covered. Student visas have a start date and end date, so verification of insurance cover is relatively simple. A free-movement visa would have no end date, so compliance with insurance requirements would be more difficult to enforce.

"Given the potential pitfalls of free movement arrangements, a sensible approach is to establish such programs on a pilot basis with a small number of the lowest-risk countries."

There are numerous other questions associated with free movement. For example, would people arriving under a free movement arrangement have a defined pathway to permanent residency and citizenship? The PC and NZPC report considered that some of these questions had not been satisfactorily resolved in the case of New Zealanders residing in Australia.⁴⁴ It is possible that the Australian government over-reached in moving to end the perception of welfare tourism. A 10-year waiting period for unemployment benefits is understandable; complete removal of the path to permanent residency seems excessive. A more consistent approach might be to have the same waiting period for both permanent residency and for the welfare benefits attached to it.

Given the potential pitfalls of free movement arrangements, a sensible approach is to establish such programs on a pilot basis with a small number of the lowest-risk countries. Selection of these countries requires extensive analysis and consultation, as well as an indication of interest from the other party.

A number of factors may come into play when considering countries for a pilot program:

- Historical affinity. New Zealand's long history of people exchange with Australia, pre-dating the TTTA agreement, has probably assisted in the smooth running of the TTTA arrangement. Australia has similar long-standing engagement with both Ireland and the UK, and to differing degrees with many Commonwealth countries.
- Administrative simplicity. It is easier to establish freedom of movement where Australia already has an extensive framework of administrative cooperation. For example, the existence of a reciprocal healthcare agreement removes one potential complication in establishing free movement. An agreement on data sharing between governments simplifies verification of citizenship, health and character requirements.
- Strategic value. Singapore is a natural candidate on a number of criteria, including the expressed intention of the two countries to strengthen their comprehensive strategic partnership (CSP). However, the Singapore government has not publicly responded to former Prime Minister Tony Abbott's suggestion of New Zealand style free movement.

A successful pilot program could eventually serve to expand free movement to more countries, and potentially to larger countries. It is possible that Canada is the upper bound of expansion, as larger countries present a greater risk of unacceptably large flows. Alternatively, a pilot program could demonstrate that free movement is self-regulating when welfare benefits are severely restricted for non-citizens, so that countries larger than Canada are viable options. However, a move to larger countries would be some way into the future, when the dynamics of free movement to and from Australia are better understood. Our current understanding is based on a sample of one, which is rarely a good basis for extrapolation.

Singapore and Australia

Singapore and Australia are both wealthy developed countries with a long-standing relationship – Australia was the first country to recognise Singapore's independence in 1965.⁴⁵ Broadly speaking, an arrangement for free movement between the two countries seems feasible.

However, with fourth freedom arrangements, details are important. One such example is healthcare.

Singapore and Australia do not have a reciprocal healthcare agreement, and the two healthcare systems have different approaches. In Australia, Medicare covers 100 per cent of treatment and accommodation costs in public hospitals.⁴⁶ By contrast, the Singapore government website jokes that, "Some say that in Singapore, it is better to die than to get sick, because of the cost of healthcare".

The government pays for 20 to 80 per cent of hospitalisation expenses in subsidised wards. There are safety nets beyond that, but apparently nothing comparable to Medicare.⁴⁷

Some details might be more easily resolved. For example, more than 80 per cent of Singaporeans live in government subsidised (HDB) housing.⁴⁸ Would Australians be eligible for this benefit? The arguments against are probably overwhelming.

There are differences in social values. For example, Singapore carries out around 2000 canings each year.⁴⁹ In March 2015 two German nationals (aged 21 and 22) were sentenced to be jailed and caned for spraying graffiti on commuter trains.⁵⁰ What might be the reaction in Australia to a similar sentence passed by a Singapore court on Australian nationals?

Singapore has universal male conscription, requiring citizens and permanent residents to serve for two years upon turning 18. Families moving abroad are required to obtain exit permits (and often pay a bond) for sons aged over 13.⁵¹ Would free movement reduce the pool of conscripts? Would Australians resident in Singapore under free movement provisions be subject to conscription?

None of the above is an insurmountable obstacle to achieving a free movement arrangement. In some cases, a first-best solution may be replaced by a second-best solution. For example, if the healthcare systems are ultimately incompatible, mandatory private health insurance may replace the option of a reciprocal health-care agreement.

The Singapore case is interesting, and this superficial examination of details is a glimpse of the amount of work necessary to establish just one free movement arrangement.

Conclusion

The TTTA between Australia and New Zealand is a good arrangement that has worked to Australia's benefit. Australia should consider extending a similar arrangement to additional countries, particularly some of the countries listed in Table 1.

An important feature of the TTTA is that it is not a prescriptive and detailed agreement between governments. Rather, it is a set of procedures independently implemented by two governments working together towards a broadly agreed common aim.

Former Prime Minister Tony Abbott suggested that TTTA style free movement could be implemented between Australia and Singapore. This appears to be feasible, but would require significant administrative work and consideration of potential pitfalls.

The TTTA has some apparent shortcomings, particularly regarding a defined pathway to permanent residency for New Zealanders resident in Australia. The government may wish to consider these apparent shortcomings, and how they might be addressed both in the New Zealand context and in the context of expanding free movement to additional countries.

Endnotes

- 1 This paper draws partially on a submission made by the author in June 2015 to the Productivity Commission inquiry into migrant intake in Australia. Available at: http://www.pc.gov.au/_data/assets/pdf_file/0018/190404/sub019-migrant-intake.pdf
The author wishes to thank the Irish Embassy Canberra, the Royal Norwegian Embassy Canberra, and the Royal Norwegian Ministry of Justice and Public Safety for information provided. Thanks also to AN, CB, DK, LD, NT, WC and WFL for comments.
- 2 Professor Friedman was inaccurate in saying that *anyone* could get on a ship and come to America before 1914. Close to a quarter of the world's population was excluded by the *Chinese Exclusion Act* of 1882. Available at: <http://www.ourdocuments.gov/doc.php?flash=true&doc=47&page=transcript> Accessed on: 19 August 2015
- 3 The 'What is America?' lecture exists in slightly different versions. The text here is quoted from Friedman, M 1978, 'What is America?', *Saturday Evening Post*, 1 October, Vol 250 Issue 7 p. 18. Available at: <http://www.search.ebscohost.com/login.aspx?direct=true&db=anh&AN=17948823&site=ehost-live> Accessed on: 4 June 2015
The lecture is also on YouTube. Available at: <https://www.youtube.com/watch?v=fwDhx1XkXX0> Accessed on: 19 August 2015. (The quoted passage starts at around 9:07)
- 4 A "keyhole" solution is described by Tim Harford as follows: "Keyhole surgery allows surgeons to operate without making large incisions, minimising the risks of complications and side effects. Economists often advocate a similar strategy when trying to fix a policy problem: target the problem as closely as possible rather than attempting something a little more drastic." From Harford, T 2012, *The Undercover Economist*, Oxford University Press, New York, p. 138.
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- 11 European Commission 2015, 'The EU single market – General policy framework'. Available at: http://ec.europa.eu/internal_market/top_layer/index_en.htm Accessed on: 30 May 2015
- 12 EFTA's current members are Iceland, Liechtenstein, Norway and Switzerland. Six previous members (Austria, Denmark, Finland, Portugal, Sweden and the UK) joined the EU.
- 13 European Free Trade Association (EFTA) 2015, 'The Basic Features of the EEA Agreement'. Available at: <http://www.efta.int/eea/eea-agreement/eea-basic-features> Accessed on: 2 June 2015
- 14 Nordic Council members are Denmark, Finland, Iceland, Norway and Sweden.
- 15 Nordic Council 2015, 'Passport Issues, Citizenship and National Registration'. Available at: <http://www.norden.org/en/om-samarbejdet-1/nordic-agreements/treaties-and-agreements/passport-issues-citizenship-and-national-registration> Accessed on: 2 June 2015
- 16 Organisation for Economic Cooperation and Development (OECD) 2014, 'Is migration good for the economy?' Available at: <http://www.oecd.org/migration/mig/OECD%20Migration%20Policy%20Debates%20Numero%202.pdf> Accessed on: 15 August 2015
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